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DE RUEHKO #1096/01 0730114

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P 140114Z MAR 07

FM AMEMBASSY TOKYO

TO RUEHC/SECSTATE WASHDC PRIORITY 1585

INFO RUEKJCS/SECDEF WASHDC PRIORITY

RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY

RUEAWJA/USDOJ WASHDC PRIORITY

RULSDMK/USDOT WASHDC PRIORITY

RUCPDOC/USDOC WASHDC PRIORITY

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RUEKJCS/JOINT STAFF WASHDC//J5//

RHHMUNA/HQ USPACOM HONOLULU HI

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RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//

RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/J021//

RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA

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RUEHFK/AMCONSUL FUKUOKA 0196

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UNCLAS SECTION 01 OF 12 TOKYO 001096

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E.O. 12958: N/A

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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 03/14/07

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- 2) Editorials
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- 5) Japan, Australia summit meeting strengthens comprehensive strategic relationship, links it to US
- 6) US has been pushing for Japan, Australia to sign security pact
- 7) LDP policy council puts off final approval of missile-defense guidelines

WWII comfort-women issue:

- 8) Kantei (Prime Minister's Official Residence), LDP panel agree that for time being there will be no re-investigation of comfort-women issue
- 9) US media turns deaf ear to Prime Minister Abe's "sincere apology" for WWII comfort-women issue
- 10) Australia's Prime Minister Howard in meeting with Abe praises Kono Statement and Japan's apology to former WWII comfort women
- 11) US Rep. Honda, cosponsor of House resolution calling for Japan to apologize for WWII comfort-women issue, treated as a hero in South Korea
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- 14) ROK refuses to recognize Japan's planned fisheries survey in EEZ

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- 17) Ruling and opposition camps alike calling for accountability on part of Matsuoka for political fund office's fake expenses
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Articles:

1) TOP HEADLINES

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Mitsubishi Heavy Industries awarded the construction of two nuclear reactors in US by Texas Electric

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Spring labor offensive: Management to come up with reply today; Toyota settles labor-management negotiations with 1,000-yen wage hike; Leading electric-appliance firms likely to agree to hike wages

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1,000 yen

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Japan-Australia EPA to deal a big blow to Japanese farmers, JCP lawmaker Kami says, calling for suspension of talks on EPA

2) EDITORIALS

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- (2) Chirac's retirement: He countered US unipolar domination

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- (2) Nikko Cordial remains listed: Swift action, transparent criteria essential

Yomiuri:

- (1) Japan-Australia security declaration: Bilateral cooperation for stability in East Asia
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Nihon Keizai:

- (1) Firms have responsibility to protect personal information
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Sankei:

- (1) Nikko Cordial remains listed: Transparency needs to be improved under clear standard
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- (1) Minimum wage: Debate needed for shrinking wage gaps
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Akahata:

Educational reform bills: Time to halt the implementation of bad revised law

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, March 13

NIHON KEIZAI (Page 2) (Full)

March 14, 2007

09:01

Attended a cabinet meeting. Foreign Minister Aso stayed on. Afterward, handed a letter of appointment of the National Public Safety Commission to Graduate University for Advanced Studies Prof. Mariko Hasegawa in the presence of National Public Safety Commission Chairman Mizote and Chief Cabinet Secretary Shiozaki. Shiozaki stayed on.

10:00

Met at Kantei with Shiozaki, his deputy Matoba, Advisor Koike, and others, followed by Deputy Chief Cabinet Secretary Suzuki.

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11:24

Met Senior Vice Health Minister Takemi in the presence of Suzuki. Afterward met Lower House Special Research Committee on the Constitution Chairman Nakayama.

12:33

Met Koike.

13:00

Attended an Upper House Budget Committee session.

17:32

Met Australian Prime Minister John Howard at the Kantei.

18:36

Signed a Japan-Australia joint declaration, and held afterward a joint press conference.

19:20

Had a photo session with Prime Minister Howard and his wife. Afterward hosted a dinner party for them.

4) Abe, Howard sign joint security declaration

NIHON KEIZAI (Page 2) (Abridged slightly)

March 14, 2007

Prime Minister Shinzo Abe and Australian Prime Minister John Howard signed yesterday a joint declaration on enhanced cooperation in UN peacekeeping operations, counterterrorism measures, security, and other fields. It is Japan's first security declaration with a country other than the United States. The declaration is seen as a first step toward the creation of an international security framework.

The declaration lists nine areas for cooperation, including: (1) cross-border crimes, (2) counterterrorism measures, and (3) disaster relief. It also incorporates joint training exercises between Japan's Self-Defense Forces and the Australian military. Also specified in the declaration is a plan to establish a security consultative committee of foreign and defense ministers of both countries (a 2+2) to draw up action plans through regular cabinet-level dialogues.

Although both Japan and Australia are major allies of the United States, bilateral relations have not been deep. Given the unstable situation in Iraq and constant international terrorist attacks, the need for joint responses to threats gave impetus to the two countries adopting the joint declaration.

"Enhanced strategic cooperation among Japan, the United States, and Australia will contribute to peace and stability in the region,"

Prime Minister Abe said in a joint press conference. Abe eyes expanding security cooperation to include India in the future.

The question is the declaration's applicable scope. During last year's LDP presidential race, Abe underlined the need for strategic dialogues with countries sharing similar values, such as the United States, Europe, Australia, and India. It is obvious that one of the aims is to tighten the noose around China, which has been pursuing a military buildup.

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Japan and Australia are aware, however, that excessively irritating China is not wise. In the joint press conference, Prime Minister Howard said: "China must not regard the joint declaration as hostile." Abe also expressed Japan's desire to strengthen relations with China.

5) Abe, Howard sign Japan-Australia security declaration to strengthen bilateral strategic relations

MAINICHI (Page 2) (Abridged)
March 14, 2007

Prime Minister Shinzo Abe held a meeting with visiting Australian Prime Minister John Howard for about one hour at his official residence yesterday. In the session, the two prime ministers signed a Japan-Australia joint declaration prescribing bilateral cooperation for stability in the Asia-Pacific region and international contributions. They also agreed to draw up an action plan to implement the joint declaration and to hold regular meetings of the foreign and defense ministers of the two countries (2+2).

Commentary

The Japan-Australia joint security cooperation declaration signed yesterday by Abe and Howard is aimed at the two countries' joined efforts for stability in the Asia-Pacific region. It is Japan's first joint security declaration sealed with a country other than the United States. The joint declaration is expected to indirectly assist Washington's recent priority of enhancing cooperation among Japan, the United States, and Australia.

Australian troops' mission in Iraq included providing security to Japanese Ground Self-Defense troops in the southern Iraqi city of Samawah. In the wake of Pyongyang's nuclear test last year, Australia also independently banned port calls by North Korean vessels. Japan and Australia have steadily forged cooperative relations. A senior Foreign Ministry official described Australia as the most dependable country after the United States. Along with Japan, Australia is also "the last bastion" for the United States, which finds itself increasingly isolated on the diplomatic front.

In an effort to step up trilateral cooperation, Japan, the United States, and Australia launched a trilateral foreign ministerial strategic dialogue last year. The Japan-Australia security declaration calling for bilateral cooperation in international contribution and other areas differs in context from the US-Japan Security Treaty. Yet, the bilateral declaration is certain to supplement the Japan-US and US-Australia alliances and help strengthen one side in the Japan-US-Australia triangle.

Efforts to strengthen the ties among the three countries based on shared values might be taken as an attempt to tighten the noose around China. Prime Minister Abe brushed aside such a concern, raised in an Australian television interview on March 12.

6) Japan, Australia sign a joint security declaration to form a "quasi-alliance," backed by US

YOMIURI (Page 2) (Excerpts)
March 14, 2007

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Shuhei Kuromi; Eki Niii, Sydney

The joint security declaration between Japan and Australia on security cooperation, signed yesterday by Prime Minister Abe and Australian Prime Minister Howard, is intended to strengthen bilateral ties to the level of the relationship being a "quasi-alliance." The declaration is an important document for the security of the Asia-Pacific region. One reason why Japan and Australia have now strengthened their partnership is because both countries have become "close" in terms of cooperation in a number of areas. There also is an awareness of the possibility of creating a framework of security cooperation among Japan, the United States, and Australia.

Japan and Australia's moving closer is backed by the United States. Japan and Australia both rely on their separate alliances with the US to guarantee their security. US Vice President Cheney's recent visits to the two countries underscored the strengthening ties among the three countries. Given that Japan and Australia have consistently backed the US in the Iraq war and that the relationship between the US and South Korea has worsened recently, there seems to be the aim of shifting the weight of security cooperation in the Asia-Pacific region from the previous one among Japan, the US, and South Korea to a new one among Japan, the US, and Australia.

For the Abe administration as well, the strengthened relationship between Japan and Australia appears to have a number of "pluses."

Abe has emphasized the need to buttress relations with Australia and India before he came into office. The close partnership with Australia is likely to give momentum to the idea of creating a framework of cooperation among Japan, the US, Australia, and India in the future. Given that Howard has been taken a hard-line stand toward North Korea in dealing with the so-called Peninsula issues, the close partnership between Japan and Australia may forestall South Korea and China, analysts noted. The joint declaration mentioned Japan-Australia cooperation on North Korean issues, including the abductions of Japanese nationals.

7) LDP policy discussion panel delays giving approval for MD guidelines

SANKEI (Page 5) (Full)
March 14, 2007

The ruling Liberal Democratic Party (LDP) yesterday held a meeting of its Policy Deliberation Commission, in which it decided to delay approving the emergency guidelines for taking action to destroy ballistic missiles and the like. The guidelines were approved by a joint session of the party's national defense-related divisions, but in the meeting yesterday, some members, including Gen Nakatani and Tokuhiko Akagi, raised objections to the guidelines, arguing: "Missiles can arrive within a few minutes. Authority should be regularly entrusted to someone instead of setting a length of the term." If the guidelines are not approved at a Policy Deliberation Commission meeting set for March 20, the cabinet will be forced to delay giving approval to the guidelines.

8) No reinvestigation into wartime comfort women issue for time being, Kantei, LDP panel agree

MAINICHI (Page 5) (Full)

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March 14, 2007

Former Education and Science Minister Nariaki Nakayama, chairman of the Group of Lawmakers to Think about the Future of Japan and Historical Education, a Liberal Democratic Party (LDP) parliamentarians' league, and Deputy Chief Cabinet Secretary Hakubun Shimomura yesterday met at LDP Headquarters. During the meeting they agreed to put on hold a reinvestigation into the wartime comfort women issue for the time being. The lawmakers and the Prime Minister's Official Residence (Kantei) have been thrusting at each other, but Policy Affairs Research Council Chairman Shoichi Nakagawa

stepped in to act as mediator.

During the meeting, in which Nakagawa also participated, Nakayama and Shimomura shared the view that the party and the government should give priority to making a joint effort to avoid the situation of the US House of Representatives adopting a resolution seeking an apology from the Japanese government on the comfort women issue.

9) US media ignores prime minister's apology over comfort women issue

ASAHI (Page 4) (Full)
March 14, 2007

Yoshiyuki Komurata, Washington

Major US media companies have hardly responded as of March 12 to Prime Minister Abe's statement expressing his sincere apology over the comfort women issue. They probably take the prime minister's statement as just an expression of the government's conventional view. Since the prime minister plans to visit the US in late April, the US Congress, out of consideration for Japan, might delay taking a vote on a resolution critical of Japan over the issue.

In an NHK interview, the prime minister emphasized, "We have expressed sincere apologies, and my feeling is exactly the same." Chinese newspapers prominently reported on this statement as an "apology." Some take the view that it may have been intended to avoid problems ahead of the planned visit to Japan by Premier Wen Jiabao in April.

In contrast, US media interest has cooled. Some press companies reported what the prime minister said, but only briefly.

According to Reuters, Representative Mike Honda of the Democratic Party, who submitted a resolution on the issue, commented on March 12 on the prime minister's statement: "His words are encouraging, and it is gratifying for him to recognize the unfathomable pain of the women involved." But he added, "The prime minister's comment is personal and is not the government's official apology," while stressing the importance of the Japan-US alliance. He indicated that a vote is likely to be taken after the prime minister visits the US in April.

10) Australian prime minister hails Abe's positive comment on comfort women issue

ASAHI (Page 4) (Full)
March 14, 2007

Visiting Australian Prime Minister John Howard said regarding the

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wartime comfort women issue during a meeting with Prime Minister Abe yesterday:

"Although Australians are sensitive to the issue, I welcome your positive comment regarding continuing to feel a sense of remorse and pledging to uphold the Kono statement."

Prime Minister Abe replied:

"There is no change in the stance of upholding the Kono statement and continuing to feel apologetic toward comfort women who were mentally hurt."

11) South Koreans taking nationalistic pleasure in US resolution critical of Japan over comfort women issue, treating Honda as hero

SANKEI (Page 7) (Excerpts)
March 14, 2007

Katsuhiro Kuroda, Seoul

South Koreans are getting excited over the so-called comfort women issue again. The media, among others, are getting extremely

agitated, carrying articles welcoming a resolution critical of Japan now under debate in the United States Congress that include these expressions: "The former Japanese military's coercion of young women into sexual slavery is now the target of not only Asian but global anger," (Munhwa Ilbo on March 9); "Build a global network to apply pressure to Japan," (Chosun Ilbo on March 9); and "Japan's diplomacy is sending it into isolation" (Dong-A Ilbo). South Korean newspapers are taking "nationalistic pleasure" in criticizing Japan almost every day.

In South Korea, former comfort women have been treated as a sort of "national heroines" as the unilateral victims of Japanese imperialism. That country has refused to accept any Japanese claims or explanations contrary to their image, such as that evidence does not exist to prove coercion or that reviewing the Kono statement is necessary.

Some people suggest that the issue of "coercion" be taken up as a theme for joint research of Japanese and South Korean history. For South Koreans, though, the "comfort women card" is valuable. Denouncing "Japan's immorality," they can teach a lesson with these remarks: "Because of its distorted history, Japan, though an economic power, has not been fully accepted by the international community. Japanese people must be aware of this fact" (Munhwa Ilbo on March 3).

In order for South Korea to demonstrate its moral superiority to Japan, that country has made coercion by the Japanese state on the comfort women issue an absolutely necessary condition. A diplomatic source in Seoul said that because of this, South Korea insisted that it "will not be able to convince our people as long as Japan does not acknowledge the government's coercion" during Japan-South Korea diplomatic talks in 1993. Following the talks, Japan issued the Kono statement. That is why civic groups and the media in South Korea repeatedly use the word "coercion" when discussing the comfort women issue. South Korea's official perception of history is that coercion was involved in everything that took place during Japanese rule that is now inconvenient.

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For South Koreans, "coercion" is an issue that will affect their racial self-respect. On this point, they cannot make any concession.

The belief that the US Congress has come in on their side has heartened South Koreans. Congressman Mike Honda, a Japanese-American, has been prominently introduced as a pro-Korean hero in the South Korean media.

12) Diplomatic Bluebook criticizes nuclear test by North Korea, says "China's military power remains opaque"

YOMIURI (Page 4) (Full)
March 14, 2007

The Ministry of Foreign Affairs presented at a joint meeting of foreign relations-related subcommittees the draft Diplomatic Bluebook for fiscal 2007. The draft criticized the nuclear test conducted by North Korea last October noting that it is a serious threat to the peace and security of not only Japan but also of East Asia and the international community and absolutely impermissible. Regarding energy aid to the North as decided at the recent six-party talks, the draft said that Japan would not take part until Japan-North Korea relations, including the abduction issue, make progress.

It also noted that the modernization of China's military power and the increase in its national defense expenses remain opaque and that the nation should act based on the rules of the international community, including on the provision of foreign aid. As a new stance of Japan's diplomacy, the draft stressed a policy of forming an Arc of Freedom and Prosperity intended to encourage democratization in the area covering Northern Europe, Central Asia, the Middle East, and Northeast Asia.

13) Coordination underway for Aso's visit to South Korea on March 31

MAINICHI (Page 2) (Full)
March 14, 2007

Foreign Minister Taro Aso yesterday began finalizing a plan to make a two-day visit to South Korea starting on March 31 to hold talks with Foreign and Trade Minister Song Min Soon. A strategic dialogue took place on March 12 between vice foreign ministers of the two countries. Aso eyes cabinet-level dialogues, as well, to confirm the two countries' close cooperation on responses to the six-party talks on the North Korean nuclear programs and other matters. The upcoming visit will be Aso's second trip to South Korea following the one last October.

Aso is expected to reiterate Japan's position of continue upholding the Kono Statement on the so-called comfort women issue in view of South Korea's concern over a call in the Liberal Democratic Party for a review of the statement.

14) ROK refuses to allow Japan to survey fishing ground, claiming it is "our country's EEZ"

ASAHI (Page 2) (Full)
March 14, 2007

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Itohiro Makino, Seoul

The Japanese government applied twice, at the end of January and last weekend, to South Korea for permission to survey a fishing ground in a part of the Sea of Japan to determine seawater temperature, the tidal current, and other data, but the South Korean government refused to allow Japan to do so, the Asahi Shimbun learned yesterday. This was revealed to the Asahi Shimbun by a South Korean official at the Maritime & Fisheries Ministry.

According to that official, South Korea examined Japan's application but concluded that the oceanic area where Japan plans to conduct the survey is within South Korea's exclusive economic zone (EEZ). South Korea has not made it clear where the location is. The official said South Korea has decided not to allow Japan to conduct a survey within South Korea's EEZ because Japan's exploration comes within the purview of a scientific marine survey.

15) Former Prime Minister Koizumi to resume diplomatic activities; Expresses enthusiasm for Middle East peace efforts

MAINICHI (Page 5) (Full)
March 14, 2006

Former Prime Minister Junichiro Koizumi, a ruling Liberal Democratic Party member, expressed his intention to resume diplomatic activities, which he had refrained from doing after leaving office. He made the remark at an inaugural meeting on March 12 of the private-sector think-tank International Public Policy Research Center. Director Naoki Tanaka revealed Koizumi's remark to reporters yesterday.

Koizumi reportedly quietly sought to constrain Prime Minister Shinzo Abe, who has gradually parted ways with him by allowing former LDP members who opposed postal privatization to return to the party. According to Tanaka, Koizumi, who serves as an advisor to the center, stated in a speech: "I visited 48 countries during my five years and six months in office, but there are still things I was unable to fulfill." Since Koizumi has said that he wants to speak out about security in the Middle East, he plans to come up with measures to promote peace in the Middle East peace efforts the first half of next year.

At a House of Representatives Budget Committee session on March 9, Abe indicated he had parted ways with the Koizumi policy approach, saying: "Mr. Koizumi was drastic medicine, but I am like Chinese medicine that works gradually. So, I would like to take measures

that will produce a gradual effect." Some LDP lawmakers assume that Koizumi's declaration to restart his diplomatic activities is an expression of his annoyance with Abe.

16) Prime Minister Abe has no intention to call on Agriculture Minister Matsuoka to resign over utility and water scandal

YOMIURI (Page 2) (Full)
March 14, 2007

Asked yesterday at an intensive session of the Upper House Budget Committee about the issue of Agriculture Minister Toshikatsu Matsuoka's political fund management organization having booked huge utility and water expenses in the politician's funds reports, Prime Minister Shinzo Abe stressed again that he had no intention of

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dismissing him or asking him to resign. Abe stated: "(Matsuoka is) well versed in agricultural policy. I want him to do his best to obtain public confidence by fulfilling his duty." He then continued:

"In order to improve the transparency of both revenues and expenditures (of political funds), I ordered the Liberal Democratic Party to discuss the issue with an eye on a review of the Political Funds Control Law to come up with measures."

Matsuoka rejected again requests to disclose the details of utility and water expenses, saying:

"I have reported based on the law. Since the issue is intertwined with the application of the law, I want the parties and parliamentary groups to decide what contents of political funds reports should be disclosed. If they make a decision, I will follow it."

17) Agriculture Minister Matsuoka's utility and water expenses: Call for accountability heard in government, ruling camp; Opposition considering filing criminal complaint

NIHON KEIZAI (Page 2) (Full)
March 14, 2007

Voices calling for Agriculture Minister Toshikatsu Matsuoka to take accountability for his utility and water expenses have begun to be heard in the government and the ruling camp. Matsuoka has dodged questions on the issue, but since the contradictions in his explanations have been pointed out, he is refusing to give detailed accounts on the matter. The Democratic Party of Japan (DPJ or Minshuto) and the rest of the opposition camp are stepping up their offensive. Opposition parties are in agreement on a policy of summoning him as a witness in the event that he refuses to step down at an early date. They are also considering filing a complaint against him.

The opposition camp is making an issue over the utility and water expenses worth approximately 28.8 million yen, which his political funds management organization booked for five years starting in 2001. The office is located in the Lower House Members' Office Building, which is free of utility charges. As such, Matsuoka's explanations have been called contradictory. Akiko Santo of the Liberal Democratic Party (LDP) during intensive deliberations on agriculture and food safety at the Upper House Budget Committee meeting yesterday asked Matsuoka, "We want you to correct your attitude so that you can focus on your work."

However, Matsuoka refused to disclose the breakdown of the financial statements of his funds management organization, noting, "I would like to report on what was included in the financial reports once each party sets standards for such." He also brushed aside calls for his resignation.

Prime Minister Shinzo Abe defended Matsuoka, noting, "He has reported the expenses according to laws and ordinances." He repeatedly used the words "according to laws and ordinances" during the Budget Committee meeting yesterday. In response to a sarcastic

question at a press conference, "Do you think a bottle of water that costs 5,000 yen is expensive?" Chief Cabinet Secretary Yasuhisa Shiozaki said, "It depends on the person."

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However, many members of the government and the ruling parties are concerned that the issue could have an adverse effect on the unified local elections in April and the Upper House election in July. State Minister for the Declining Birthrate Sanae Takaichi said, "I myself do not understand that explanation." Toranosuke Katayama, secretary general of the LDP members in the House of Councillors, also said, "It is better to use language that is easily understandable for the public."

There is a small gap in the stance of the DPJ between the Lower and Upper Houses in pursuing Matsuoka. The question-and-answer session at the Budget Committee meeting lasted an hour and a half, but the DPJ spent only 10 minutes on the issue. DPJ member Hirokazu Shiba all of a sudden visited Matsuoka's office and asked staff members there to reveal its heating appliances. During the meeting of the Lower House Diet Steering Committee, he apologized for his "reckless action."

Acting DPJ head Naoto Kan said, "It's tough on the premier if we keep going after Matsuoka." However, some ruling party members suggested that the DPJ is likely to back off due to a suspected political funds issue involving former Upper House Vice President Giichi Tsunoda.

18) Minshuto's Nakai found to have falsified political funds report for 2005 by claiming 2.86 million yen for utilities, when expenses were actually zero

MAINICHI (Page 1) (Slightly abridged)
March 14, 2007

The office of House of Representatives member Hiroshi Nakai, a former Justice Minister who belongs to the main opposition party Minshuto (Democratic Party of Japan), revealed yesterday that the lawmaker's political management organization had falsified Nakai's political fund report for 2005, claiming expenses of 2.68 million yen for utilities despite that money being paid out for other expenses such as telephone bills and flowers. The case may violate the Political Funds Control Law under the category of falsifying fund reports. The accountant admitted that Nakai's political management group had falsified funds reports for at least several years, noting, "Though no money was spent for utilities, it had been the practice for the organization to declare such expenses. We want to correct the political funds reports."

Although Nakai's political fund management organization called "Kowa-kai" has only one office in a Diet members' building, which is free of utilities expenses, it listed 18.5 million yen in such costs for five years from 2001 to 2005 -- 2.34 million yen for 2004 and 5.46 million yen for 2003.

The accountant revealed:

"The utilities expenses for 2005 included telephone fees to Mie Prefecture, his home constituency, the cost of flowers for congratulations and condolences, membership fees for parliamentary groups, and tax payments. Since I took over the job (from a predecessor), the organization falsified funds reports at least for several years."

Nakai said:

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"I don't know anything about it. My secretary (accountant) has told me that he has listed them just as his predecessor did and that he will now correct them. Since we have receipts, what we did was not in violation of the law."

The Political Funds Control Law stipulates that politicians who falsified their political fund reports can be sentenced up to five years' imprisonment and fined up to 1 million yen.

SCHIEFFER